

MINUTES OF 146TH MEETING OF THE BOARD OF DIRECTORS

DIRECTORS	HELD AT	ON	TIME																				
MINUTE BOOK	LAHORE	17 TH MAY, 1999																					
<p>Action: ED(P&R) ED(H&A)</p>	<p>5. After discussions, the Board resolved as under:</p> <p>RESOLVED "that recovery of the advance payment made to officers on 22nd January, 1998 and 4th January, 1999 which was commenced in April 1999 be deferred for three months i.e. from May to July, 1999."</p> <p>ITEM 8. SELECTION OF SOFTWARE FIRM FOR COMPLETE SOFTWARE DEVELOPMENT ON CORPORATE BASIS. ED(CD) MEMORANDUM DATED 14-5-1999.</p> <p>6. ED(CD) informed the Board that as decided at its 144th meeting held on 22/23rd January, 1999, Mr. Shahid Mir of M/s. Systems Research Limited was asked to study the technical proposal received from all the short-listed firms which had made presentation to the Board and to assist the Board in arriving at a decision for selection of a consultant for development of software. Accordingly, he had submitted a report on the technical aspect of proposal submitted by various software firms wherein he had also suggested that ERP solution should also be considered.</p> <p>7. ED(CD) further informed the Board that with regard to ERP solution, M/s. Siemens who were the official representative of SAP in Pakistan were asked to make a presentation and submit a financial proposal. The presentation was accordingly made by Siemens, however, they had not submitted any financial proposals despite repeated request and reminders.</p> <p>8. The Board was also informed that the Central Procurement Committee had opened the financial bids submitted on 31-12-1998 by the various software firms and the Board was informed of the same as follows:</p> <table border="0" data-bbox="389 1456 860 1635"> <tr> <td>(i)</td> <td>PRAI</td> <td>Rs.45</td> <td>Million</td> </tr> <tr> <td>(ii)</td> <td>PICL</td> <td>Rs.39</td> <td>Million</td> </tr> <tr> <td>(iii)</td> <td>Net Pace</td> <td>Rs.35.7</td> <td>Million</td> </tr> <tr> <td>(iv)</td> <td>IBM</td> <td>Rs.32.5</td> <td>Million</td> </tr> <tr> <td>(v)</td> <td>CresSoft</td> <td>Rs.15</td> <td>Million</td> </tr> </table> <p>9. M/s. CresSoft who had been assigned the job of Y2K Compliance at a cost of Rs.2.65 million had committed that the Y2K Compliance fees would be adjustable against the price quoted by them for complete software development.</p> <p>10. Mr. Aczaz Hussain of M/s. System (Pvt.) Limited attended the meeting by invitation. M/s. Jaffer Brothers (Pvt.) Limited had suggested that State Life should install Oracle Financial Applications and had offered to install the same in one of the Zones without any cost to be replicated in the remaining Zones and the Principal Office. State Life had requested M/s. Jaffer Brothers to give a presentation to the Board at its meeting on utility and possibility of installation of Oracle Financial Applications in State Life, and accordingly, Mr. Raees F. Gaya of M/s. Jaffer Brothers made a presentation of Oracle Financial Applications, and explained to the Board that the application was practicable and could be useful to State Life.</p>			(i)	PRAI	Rs.45	Million	(ii)	PICL	Rs.39	Million	(iii)	Net Pace	Rs.35.7	Million	(iv)	IBM	Rs.32.5	Million	(v)	CresSoft	Rs.15	Million
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11. After discussions, the Board resolved as under:

RESOLVED

(i) "that while discussing the memorandum on selection of software firm for complete software development for the whole organization, the Board agreed to the suggestion of Mr. Aezaz Hussain, Managing Director, M/s. Systems (Pvt.) Ltd., an expert on Information Technology that a computer consultant be retained by State Life, and in that connection all five(5) Executive Directors be authorized to jointly interview the short-listed candidates suggested by M/s. Sidat Hyder Morshed Associates Pvt. Limited Management Consultants who were assigned the task to advertise and assess the applications received for the appointment as consultant to State Life on Information Technology. The selected consultant would then assist the Board to select the firm for complete automation of all functions of State Life, and interconnectivity of Principal Office with various Zones."

Action:
X(CD)

Action:
ED(CD)

(ii) "that M/s. Jaffer Brothers be and were hereby authorized to install Oracle Financial Application in one of the Zone without any cost to the Corporation."

Action:
ED(CD)

(iii) "that M/s. System Pvt. Ltd. be requested to submit their proposal for appointment as consultant to assist the management of State Life and coordinate with the consultant to be appointed for complete computerization of all functions of State Life and ED(CD) be and was hereby authorized to negotiate, finalize and execute the contract for appointment of M/s. Systems Pvt. Ltd."

Action:
ED(CD)

ITEM 10. POSITION NOTE ON ISO-9000 PROJECT.
ED(SYS) MEMORANDUM DATED 11-5-1999.

12. ED(Sys) informed the Board that as per its decision taken at its 144th meeting held on 19th December, 1998 to award the work to M/s. BMIQA to assist State Life in making all the preparation necessary for obtaining ISO-9000 certification for the Corporation, the agreement had already been signed by State Life with the Consultant on 13-5-1999 and work was expected to start from 21-5-1999. A steering committee had been formed to monitor the whole process of ISO-9000 project and sessions to start awareness to make every body aware of the advantages of ISO-9000 would soon commence. The Board approved the award of work to M/s. BMIQA, and noted the update furnished by ED(Sys).

ITEM 12. POSITION PAPER ON Y2K COMPLIANCE.
ED(CD) MEMORANDUM DATED 12-5-1999.

13. ED(CD) presented before the Board a position paper on work so far carried out in respect of Y2K compliance by M/s. CresSoft (Pvt) Ltd. who were appointed as

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17. The Executive Committee at its 233rd meeting held on 30th April, 1998 approved that advertisement be given in UK for inviting application from senior experienced actuary for carrying out the different jobs required for re-launching life insurance operations in UK. Subsequently, a Committee was constituted under the convenorship of ED(Int'l) who scrutinized the applications received, negotiated and finalized the appointment of Mr. Asim Chughtai as Actuary for UK operations. A contractual appointment letter to Mr. Asim Chughtai for a period of one year extendable upto two years w.e.f. 2nd November, 1998 was issued by ED(Int'l) on 13th January, 1999 giving details of functions to be performed by him and fixing his remuneration inclusive of all allowances at Pound Sterling 36000 per annum. The B&A Division had inadvertently not included the amount payable to the Actuary in the budgetary proposal originally submitted to the Board for its approval now included in the above summary.

18. After discussions, the Board resolved as under:

RESOLVED

"that an additional budget of Rs.13.5 million be and was hereby approved under the head of professional charges and entertainment expenses."

ITEM 17. FRESH APPOINTMENT AS B-CATEGORY AREA MANAGER OF MR. RAHMAT ALI BHULLA FORMER AREA MANAGER, LAHORE (WESTERN) ZONE.

19. The Board of Directors at its 145th meeting held on 25/27th February, 1999 had decided that a legal opinion be solicited as to the consequences of the re-instatement of Mr. Rahmat Ali Bhulla and whether it would tantamount to retracting the stand earlier taken by State Life in the Court, if it was accepted by State Life that there apparently was a case of discrimination against him.

20. ED(S&D) informed the Board that the matter was referred to the Law Division for their views whose opinion was that the case before NIRC was that of unfair labor practice, whereas, the representation of Mr. Rahmat Ali Bhulla before the Board was that of discrimination as according to him no action was taken against other Area Managers whose performance was much worse than him and that he was condemned unheard and was not served with a notice before termination. Since the issues before NIRC was different from the one raised by Mr. Bhulla in his representation before the Board, the Law Division felt that there was no question of State Life retracting from its stand taken before NIRC, except that before NIRC, State Life justified the termination and now was considering his petition for re-instatement.

21. After discussion, the Board resolved as under:

RESOLVED

"that Mr. Rahmat Ali Bhulla be re-instated as B-Category Area Manager and his period of termination be treated as extra ordinary leave without pay. Before re-instatement, Mr. Rahmat Ali Bhulla be asked to submit an undertaking that he would not claim any financial back dated benefit whatsoever for the period of his termination and that this case would not be taken as a precedent for future."

Action:
ED(B&A)

Action:
ED(P&CS)/
ED(S&D)

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ITEM 20. ANY OTHER ITEM WITH THE PERMISSION OF THE CHAIR.

(i) PROMOTION FROM SALES MANAGER TO AREA MANAGER ED(S&D) MEMORANDUM DATED 12-5-1999.

22. ED(S&D) presented before the Board a memorandum on suggested criteria for promotion from Sales Manager to Area Manager for approval of the Board.

23. After discussions, the Board felt that the policy for promotion was defective and needs to be reviewed before consideration by the Board. The criteria should be prepared taken into account the premium figures at which a break even was achieved in respect of seating and allied facilities, commissions and others fringe benefits given to various tiers of the Field Force. The Board took serious notice of the existing position regarding outstanding advances given to the Field Force based on previous year performance and which remained outstanding due to poor performance in subsequent years.

24. The Board advised ED(S&D) to submit a fresh proposal in respect of criteria for promotions of Sales Manager to Area Manager.

(ii) PROMOTION FROM SALES MANAGER TO AREA MANAGER FOR 1997, ED(S&D) MEMORANDUM DATED 12-5-1999.

25. ED(S&D) informed the Board that the Executive Committee at its 241st meeting held on 6/10th August, 1998 had directed the ED(S&D) to initiate and finalize the exercise of promotion of Area Managers for the year 1997 and had laid down the following criteria:

(a) Total Actual FYP for the year 1993	Rs.905 million	Rs.2 million per Area Manager to be taken as annual FYP Quota.
<u>No. of Area Managers in 1993</u>	<u>447</u>	
(b) Target Premium for 1997	Rs.1400 million	700 Area Managers to be taken as approved strength
<u>FYP generated by each Area Managers in 1993</u>	<u>Rs.2 million</u>	
(c) No. of Area Managers - Existing number of approved.	=	No. of Area Managers to be promoted.
Area Managers		

26. Based on the above laid down criteria, an exercise was carried out relating to allocation of post and out of the cases then recommended by the Zones, 8 candidates had failed to meet the criteria and 7 posts were reduced by the then Chairman as such 44 Sales Managers were promoted raising the total strength of Area Managers at that time to 663. Since last promotion representations had been received from the Zonal Heads and representatives of the Field Workers that many deserving candidates had not been promoted in various Zones. The Regional Chiefs in their Conference held at Lahore on 4/6th April, 1999 had also pleaded their case to the Executive Committee. At the time of promotion exercise, grade sheets of two eligible Sales Managers were not forwarded to S&D Division in time by Karachi Central Zone

Action:
ED(S&D)

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and Sahiwal Zone and in Quetta, Mirpur Khas, Lahore Western, Sialkot, Gujrat, Abbottabad and Peshawar Zones posts were not allocated inspite of the fact that eligible Sales Managers were available. In view of the aforementioned facts, it was recommend by ED(S&D), that the following previously left out 19 eligible candidates be considered for promotion as Area Manager on the basis of the performance as at 31-12-1997. The cases recommended include those Sales Managers whose grade sheets were received late, Zones where post were not allocated and Zones where additional posts were requested by Zonal Heads.

S.No.	Name of Sales Manager	Code	Zone	Category
1.	Mr. Mansoor Ahmad	713588	Karachi Central	B
2.	Mr. Asif Raza	736136	Lahore Central	B
3.	Mr. Mohammad Tariq	733461	Lahore Central	B
4.	Mr. Umar Farooq Qureshi	733280	Lahore Western	A
5.	Mr. Sarfraz Iqbal	735745	Lahore Western	A
6.	Mr. Rana M. Aslam Shad	790173	Faisalabad	B
7.	Mr. Mohammad Rafiq	790053	Faisalabad	B
8.	Mr. Khalid Mahmood	795152	Sargodha	A
9.	Mr. Mohammad Afzal	795117	Sargodha	B
10.	Mr. Najmul Saqib Siddiqui	728021	Quetta	B
11.	Mr. Zakir Hussain	713617	Mirpurkhas	B
12.	Mr. Shahid Iqbal	774161	Sialkot	B
13.	Mr. Abdul Ghafoor	784044	Sahiwal	B
14.	Mr. Haji Ghulam Hussain	784006	Sahiwal	B
15.	Mr. Khalid Javed	784066	Sahiwal	A
16.	Mr. Raja Mohammad Younus	776122	Gujrat	B
17.	Mr. Mohammad Salim Sethi	753228	Peshawar	B
18.	Mr. Zafar Qayyum	757007	Abbottabad	B
19.	Mr. Mohammad Moinuddin	786071	Rahim Yar Khan.	B

27. After deliberations, the Board resolved as under:

RESOLVED

(i) "that the above 19 Sales Managers recommended by ED(S&D) for promotion on the basis of 1997 performance left out from the list approved earlier by the Board at its 141st meeting held on 26th September, 1998 be and was hereby approved on probation basis subject to performance in 1999."

(ii) "that ED(S&D) and ED(P&GS) be and were hereby authorized to consider any remaining cases for the year 1997 on merit, on the basis of average performance for the year 1996 and 1997 and approve promotions on probation basis subject to performance in 1999."

(iii) "that in future any Sales Manager who meets the setup targets and laid down criteria should be promoted as Area Manager irrespective of the availability of the vacancies and that there would be no Zone wise quotas henceforth."

Action:
ED(S&D)

Action:
ED(S&D)
ED(P&GS)

Action:
ED(S&D)
ED(P&GS)

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(iii) ABOLITION OF THE POST OF SECTOR HEAD

28. The Board requested ED(S&D) to prepare a policy paper on abolition of the post of Sector Head after obtaining the audited figures of performance of all Sector Heads in respect of FYP, SYP and Renewal Premium and recommend their transfers to other Divisions where they could make effective contribution to the Corporation and submit the same to the Board for consideration at its next meeting.

Action:
ED(S&D)

(iv) TRANSFER OF MR. ISHTIAQ HUSSAIN, AREA MANAGER, TO NON-DEVELOPMENT SIDE.

29. ED(S&D) informed the Board that a request had been received from Mr. Ishtiaq Hussain, Area Manager, for his transfer to non-development side on grounds of partial disability whose business performance was otherwise satisfactory.

30. After discussions, the Board resolved as under:

RESOLVED

(i) "that the case be considered on humanitarian grounds subject to submission of medical certificate of disability by a specialist in the field."

Action:
ED(S&D)
ED(P&GS)

(ii) "that all fringe benefits and perquisites received by employee related to Sales & Development would be discontinued on his transfer to non-development."

Action:
ED(S&D)
ED(P&GS)

(v) CONVENTION OF POLICY HOLDERS

31. The Board desired that a convention of Policyholders be held and Mr. Aslam Mullah, Area Manager, be asked to make all necessary arrangements under the direct supervision and guidance of ED(S&D).

Action:
ED(S&D)

32. The consideration of item Nos.2,3,4,5,6,9,11,13,15,16,18 and 19 was deferred by the Board until its next meeting.

ITEM 2. RATIFICATION OF MINUTES OF 250TH, 251ST AND 252ND MEETINGS OF THE EXECUTIVE COMMITTEE HELD ON 3RD MARCH, 1999, 19TH MARCH, 1999 AND 7TH APRIL, 1999.

ITEM 3. RATIFICATION OF APPROVAL OF MINIMUM PREMIUM INSTALLMENT THROUGH CIRCULATION BY BOARD.

ITEM 4. RATIFICATION OF APPROVAL OF APPOINTMENT OF STATUTORY AUDITORS FOR STATE LIFE U.A.E. OFFICE INCLUDING KUWAIT AND SAUDI ARABIA FOR THE YEAR 1998 THROUGH CIRCULATION BY THE BOARD.

ITEM 5. RATIFICATION OF APPROVAL OF POWER OF ATTORNEY OF THE CHAIRMAN AND EXECUTIVE DIRECTORS THROUGH CIRCULATION BY THE BOARD.

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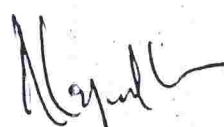


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- ITEM 6. RATIFICATION OF APPROVAL THROUGH CIRCULATION BY THE BOARD OF REQUEST OF THE OFFICERS OF STATE LIFE INSURANCE CORPORATION FOR PAYMENT OF ONE MONTH'S BASIC PAY TOWARDS BONUS ON ACCOUNT OF EID-UL-AZHA.
ED(P&GS) MEMORADUM DATED 26-03-1999.
- ITEM 9. APPOINTMENT OF INTERNAL AUDITORS FOR STATE LIFE, U.A.E. OFFICE.
GM(IA&E) MEMORANDUM DATED 14-05-1999
- ITEM 11. POSITION PAPER ON APPONTMENT OF HRD CONSULTANT.
DGM(HRD) MEMORANDUM DATED 12-05-1999.
- ITEM 13. ✓ DISCREPANCIES IN STATE LIFE PLS ACCOUNT NO.37813-3 AND CURRENT ACCOUNT NO.500 MAINTAIN WITH UBL, II CHUNDRIGAR ROAD BRANCH KARACHI.
ED(INV) MEMORANDUM DATED 4-5-1999.
- ITEM 15. REVIEW AND REDESIGNING OF THE EXISTING AUDIT MANUAL.
GM(IA&E) MEMORANDUM DATED 12-5-1999.
- ITEM 16. REINSTATEMENT AS AREA MANAGER - MR. SHARIF TAHIR, EX-AREA MANAGER (688), DERA GHAZI KHAN ZONE.
ED(S&D) MEMORANDUM DATED 14-5-1999.
- ITEM 18. REIMBURSEMENT OF UTILITY EXPENSES TO AREA MANAGER FOR 1997 AND 1998.
ED(P&GS) MEMORANDUM DATED 11-5-1999.
- ITEM 19. SALE OF STATE LIFE LAND IN DEH THANO, MALIR, KARACHI.
GM(RE) MEMORANDUM DATED 10-5-1999.

33. The meeting ended with vote of thanks to the Chair.


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